Lao Culture Tourism Public Group Company

Interim consolidated financial statements

For the six-month period ended 30 June 2026

Lao Culture Tourism Public Group Company

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Lao Culture Tourism Public Group Company

GENERAL INFORMATION

THE COMPANY

Lao Culture Tourism Public Group Company ("the Company"), previously known as Lao Cement Public Company and Lao Cement Co., Ltd, was established in accordance with the Article of Association signed in Vientiane Laos on 15 December 1998 by Lao Agriculture-Forestry Development and Service Company and China Yunnan Corporation for International Techno-Economic Cooperation.

On 14 February 2018, the Company received the Certificate of Initial Public Offering (IPO) completion No.0008/LSX issued by Lao Securities Commission Office, according to which the Company had completed IPO process with the total 40,004,000 shares of the Company (under the ticker "LCTC") have been officially listed on Lao Securities Exchange.

On 2 May 2023, the Company obtained the new Investment License No. 119.2023/MPI, issued by the Ministry of Planning and Investment, which modified the principal business activities of the Company. According to which the principal activities of the Company were changed from production, wholesale and retail of cement and other related cement products to provide service on tourism (inbound-outbound) and construction of condominium for sale.

On 30 October 2023, the Company obtained the latest Business License No.3330/BLO from Ministry of Industry and Commerce, in which the Company's name was changed from Lao Cement Public Company to Lao Culture Tourism Public Group Company.

On 24 June 2025, the Company received the Condominium Business License No.2730 from the Ministry of Natural Resources and Environment, enabling it to engage in activities related to the sale of condominiums.

The shareholding structure of the Company as at 30 June 2026 is as follows:

Shareholders	*Number of shares*	*Percentage*
Yunnan Hengshi Chengrui Holdings Co., Ltd ("Yunnan Hengshi") (Previously known as Yunnan Qianhan Technology Network Limited ("Yunnan Qianhan"))	14,280,000	35.696%
Lao Agriculture-Forestry Development and Service Company (DAI)	13,720,000	34.297%
Lao-China Securities Co., Ltd (LCS)	7,547,800	18.868%
Other public corporation and individual investors	4,456,200	11.139%
	40,004,000	

The Company's registered head office is at Phonphanao Village, Xaysettha District, Vientiane Capital, Lao PDR. The Company also has Vangvieng Cement Plant No.II which is located in Vangvieng province, Lao PDR.

GENERAL INFORMATION (continued)

THE BOARD OF DIRECTORS

Members of the Board of Directors during the six-month period ended 30 June 2026 and as at the date of this report are:

Name	*Position*	*Date of appointment*
Mr. Nie Lei	Chairman	Appointed on 09 March 2023
Mr. Vanthong Sitthikoun	Vice chairman	Appointed on 23 June 2020
Mr. Liu Hao	Member	Appointed on 09 March 2023
Mr. Khambon Xaylaovong	Member	Appointed on 23 June 2020
Mr. Zhang Jing Hua	Member	Appointed on 09 March 2023
Mr. Sinthanou Somfongboudtakhan	Member	Appointed on 28 August 2024
Mrs. Cai Ling Ling	Member	Appointed on 09 March 2023
Mr. Ding Zhenxu	Member	Appointed on 23 December 2025
Mr. Liu Wenju	Independent member	Appointed on 23 December 2025
Mr. Dai Rong Hua	Independent member	Appointed on 09 March 2023
Mr. Vikhamdeng Inthasy	Independent member	Appointed on 28 August 2024

MANAGEMENT

Members of the Company's management during the six-month period ended 30 June 2026 and at the date of this report are:

Name	*Position*	*Date of appointment*
Mr. Liu Hao	General Director	Appointed on 23 December 2025
Mr. Nie Lei	General Director	Resigned on 23 December 2025
Mr. Zhang Jing Hua	Chief Financial Officer	Appointed on 09 March 2023
Mr. Khambon Xaylaovong	Deputy Director	Appointed on 23 June 2020
Mr. Sinthanou Somfongboudtakhan	Deputy Director	Appointed on 28 August 2024
Ms. Shi Yu Hong	Secretary of the Board of Director	Appointed on 28 August 2024

AUDIT COMMITTEE

Members of the Company's audit committee during the six-month period ended 30 June 2026 and at the date of this report are:

Name	*Position*	*Date of appointment*
Mr. Dai Rong Hua	Chairman	Appointed on 09 March 2023
Mr. Liu Wenju	Member	Appointed on 23 December 2025
Mr. Vikhamdeng Inthasy	Member	Appointed on 28 August 2024

LEGAL REPRESENTATIVE

The legal representative of the Company during the six-month period ended 30 June 2026 and at the date of this report is Mr. Nie Lei, Chairman.

AUDITOR

The auditor of the Company is Ernst & Young Lao Co., Ltd.

Lao Culture Tourism Public Group Company

REPORT OF MANAGEMENT

Management of Lao Culture Tourism Public Group Company ("the Company") is pleased to present its report and the interim consolidated financial statements of the Company and its subsidiary (collectively referred to as the "Group") for the six-month period ended 30 June 2026 ("the interim consolidated financial statements").

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation of the interim consolidated financial statements which have been prepared in accordance with the accounting policies as described in Note 3 to the interim consolidated financial statements. These accounting policies are not intended to present the interim consolidated financial position, the interim results of operations and interim cash flows of the Group in accordance with international generally accepted accounting principles. In preparing those interim consolidated financial statements, management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgement and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the interim consolidated financial statements; and,
- Prepare the interim consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim consolidated financial position of the Group and for ensuring that the accounting records comply with the accounting policies applied. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management has confirmed that it has complied with the above requirements in preparing the accompanying interim consolidated financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements are prepared, in all material respects, in accordance with the accounting policies as described in Note 3 to the interim consolidated financial statements.

On behalf of the Board of management:

Mr. Liu Hao
General Director

Vientiane, Lao PDR

31 August 2026

Reference: 11728747/E-69974314-LR-Consolidated

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To: The Shareholders of Lao Culture Tourism Public Group Company

We were engaged to review the interim consolidated statement of financial position of Lao Culture Tourism Public Group Company ("the Company") and its subsidiary (collectively referred to as "the Group") as of 30 June 2026 and the related interim consolidated statement of profit or loss, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 31.

Management is responsible for the preparation of these interim consolidated financial statements in accordance with the accounting policies as described in Note 3 to the interim consolidated financial statements. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

Our responsibility is to conduct our review in accordance with International Standards on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* and to issue an auditor's report. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Because of the matter described in the *Basis for Disclaimer Conclusion* section of our report, we were not able to obtain sufficient appropriate evidence to provide a basis for a review conclusion on these interim consolidated financial statements.

Basis for Disclaimer Conclusion

As disclosed in Note 2 to the consolidated financial statements, the Group incurred a net loss of LAK 15.23 billion for the six-month period ended 30 June 2026, and as of that date, the Group had accumulated losses of LAK 124.61 billion and its current liabilities of LAK 183.12 billion also exceeded its current assets by LAK 92.47 billion. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The consolidated financial statements for the six-month period ended 30 June 2026 are prepared on going concern basis based on the assumption that the Group has sufficient resources for the settlement of its liabilities to third parties and for the operations to continue in the following year without curtailment. The Group's management has prepared a cashflow forecast to support the settlement and operation plan, primarily on the basis of their expectation of financial support to be received from its shareholders and related parties and proceeds from disposal of its current available assets. Based on current available information, we are unable to obtain sufficient appropriate evidence to verify assumptions made by the Group's management in preparation of the above cashflow forecast. Accordingly, we are unable to satisfy ourselves as to the appropriateness of the use of going concern assumption in the preparation of these consolidated financial statements for the six-month period ended 30 June 2026.

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Disclaimer Conclusion

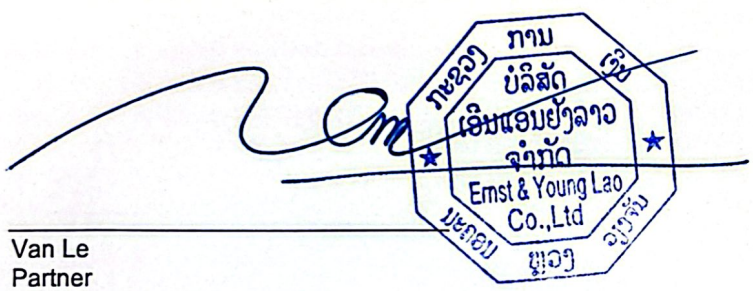
Because of the significance of the matter described in the Basis for Disclaimer of Conclusion paragraph, we have not been able to obtain sufficient appropriate evidence to provide a basis for a review conclusion. Accordingly, we do not express a conclusion on the accompanying interim consolidated financial statements.

Emphasis of Matter- Accounting policies

We draw attention to note 3 to the interim consolidated financial statements, which describes the accounting policies adopted by the Company. These accounting policies are not intended to present the interim consolidated financial position, the interim consolidated results of operations and the interim consolidated cash flows of the Company in accordance with international generally accepted accounting principles.

Our conclusion is not modified in respect of this matters.

For and on behalf of Ernst & Young Lao Co., Ltd



Van Le
Partner

Audit Practicing Registration
Certificate No. 018/LCPAA-APT-2019

Vientiane, Lao PDR

31 August 2026

A member firm of Ernst & Young Global Limited

Lao Culture Tourism Public Group Company

INTERIM CONSOLIDATED BALANCE SHEET
as at 30 June 2026

	Notes	30 June 2026 LAK	31 December 2025 LAK
ASSETS			
Non-current assets			
Property, plant and equipment	4	947,746,126	1,276,390,036
Construction in progress	6	27,783,816,583	19,908,964,250
Intangible assets	5	3,769,727,088	3,779,367,504
Total non-current assets		**32,501,289,797**	**24,964,721,790**
Current assets			
Other current assets	7	4,000,024,320	7,260,703,435
Inventories	8	84,440,544,868	74,687,556,805
Amount due from related parties	22	1,000,000,000	1,000,000,000
Trade receivables	9	-	36,021,574
Cash	10	1,205,866,955	788,807,469
Total current assets		**90,646,436,143**	**83,773,089,283**
TOTAL ASSETS		**123,147,725,940**	**108,737,811,073**
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables	11	6,878,910,461	6,408,794,853
Deferred revenue	12	621,704,755	-
Advances from customers	13	29,306,510,116	25,583,759,134
Amounts due to related parties	22	13,970,031,477	12,969,716,098
Statutory obligations	14	12,247,987,590	9,258,847,470
Payables to employees		18,711,359,697	15,354,513,104
Other payables	15	101,379,236,396	83,897,242,635
Total current liabilities		**183,115,740,492**	**153,472,873,294**
TOTAL LIABILITIES		**183,115,740,492**	**153,472,873,294**
Equity			
Contributed capital	16	20,002,000,000	20,002,000,000
Share premium		18,385,975,511	18,385,975,511
Legal reserve		7,704,052,546	7,704,052,546
Plant expansion reserve		18,549,465,596	18,549,465,596
Accumulated losses		(124,609,508,205)	(109,376,555,874)
Total equity		**(59,968,014,552)**	**(44,735,062,221)**
TOTAL LIABILITIES AND EQUITY		**123,147,725,940**	**108,737,811,073**



Mr. Liu Hao
General Director

Mr. Zhang Jing Hua
Head of Accounting & Finance

Vientiane, Lao PDR

31 August 2026

Lao Culture Tourism Public Group Company

INTERIM CONSOLIDATED INCOME STATEMENT
for the six-month period ended 30 June 2026

	Notes	*For the six-month period ended 30 June 2026 LAK*	*For the six-month period ended 30 June 2025 LAK*
Revenue from sale of goods		-	-
Cost of goods sold		-	-
Gross margin		-	-
Other operating income	17	581,611,504	33,250,200
Other operating expenses	18	(739,205,816)	(6,028,996,767)
Administrative expenses	19	(9,382,956,249)	(7,755,172,241)
Operating loss		**(9,540,550,561)**	**(13,750,918,808)**
Finance income		16,718	64,296
Finance costs	20	(5,692,418,488)	(874,011,386)
Loss before tax		**(15,232,952,331)**	**(14,624,865,898)**
Profit tax expenses	21	-	-
Net loss after tax		**(15,232,952,331)**	**(14,624,865,898)**

Mr. Liu Hao
General Director

Mr. Zhang Jing Hua
Head of Accounting & Finance

Vientiane, Lao PDR

31 August 2026

Lao Culture Tourism Public Group Company

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six-month period ended 30 June 2026

	Contributed capital *LAK*	*Share premium* *LAK*	*Legal reserve* *LAK*	*Plant expansion reserve* *LAK*	*Accumulated losses* *LAK*	*Total* *LAK*
As at 1 January 2025	20,002,000,000	18,385,975,511	7,704,052,546	18,549,465,596	(84,072,394,380)	(19,430,900,727)
Net loss for the period	-	-	-	-	(14,624,865,898)	(14,624,865,898)
As at 30 June 2025	**20,002,000,000**	**18,385,975,511**	**7,704,052,546**	**18,549,465,596**	**(98,697,260,278)**	**(34,055,766,625)**
As at 1 January 2026	20,002,000,000	18,385,975,511	7,704,052,546	18,549,465,596	(109,376,555,874)	(44,735,062,221)
Net loss for the period	-	-	-	-	(15,232,952,331)	(15,232,952,331)
As at 30 June 2026	**20,002,000,000**	**18,385,975,511**	**7,704,052,546**	**18,549,465,596**	**(124,609,503,205)**	**(59,968,014,552)**

Mr. Liu Hao
General Director

Mr. Zhang Jing Hua
Head of Accounting & Finance

Vientiane, Lao PDR

31 August 2026

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
for the six-month period ended 30 June 2026

	Notes	*For the six-month Period ended 30 June 2026 LAK*	*For the six-month Period ended 30 June 2025 LAK*
OPERATING ACTIVITIES			
Loss before tax		**(15,232,952,331)**	**(14,624,865,898)**
Adjustments for:			
Depreciation of property, plant and equipment	4,5	176,412,401	269,654,669
Provision for inventories		204,502,005	4,214,300,610
Reversal of provision for doubtful account		-	(27,286,200)
Foreign exchange losses/(gains) arising from revaluation of monetary accounts denominated in foreign currency		5,021,732,021	(229,206,288)
Profit from selling fixed assets		(468,865,348)	-
Interest expenses	21	731,215,895	549,650,963
Working capital adjustments:			
Decrease in trade and other receivables, including amount due from related parties		36,021,574	98,817,869
Decrease/(increase) in other current assets		3,260,570,915	(2,091,584,549)
Increase in inventories		(9,957,490,067)	(1,759,622,643)
Increase in trade and other payables, including amount due to related parties		13,949,732,660	15,338,120,895
Interest income		108,198	64,296
Net cash flow (used in)/from operating activities		**(2,279,012,077)**	**1,738,043,724**
INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment		(7,850,000)	(272,970,381)
Proceeds from disposals of fixed assets		709,706,000	-
Acquisitions of intangible fixed asset		(6,600,000)	(36,000,000)
Construction in progress		-	(3,808,571,616)
Net cash flows from/(used in) investing activities		**695,256,000**	**(4,117,541,997)**
FINANCING ACTIVITIES			
Drawdown of borrowings		1,913,215,562	7,643,255,000
Repayment of borrowings		(15,112,900)	(1,474,417,968)
Net cash flows from financing activities		**1,898,102,662**	**6,168,837,032**

Lao Culture Tourism Public Group Company

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
for the six-month period ended 30 June 2026

	Notes	*For the six-month Period ended 30 June 2026 LAK*	*For the six-month Period ended 30 June 2025 LAK*
Net increase in cash		314,346,585	3,789,338,759
Cash at the beginning of the period		788,807,470	644,185,612
Impact of foreign exchange rate fluctuation		102,712,900	(51,716,104)
Cash at the end of the period	**10**	**1,205,866,955**	**4,381,808,267**

Mr. Liu Hao
General Director

Mr. Zhang Jing Hua
Head of Accounting & Finance

Vientiane, Lao PDR

31 August 2026

1. CORPORATE INFORMATION

Lao Culture Tourism Public Group company ("the Company"), previously known as Lao Cement Public Company and Lao Cement Co., Ltd, was established in accordance with the Article of Association signed in Vientiane Laos on 15 December 1998 by Lao Agriculture-Forestry Development and Service Company and China Yunnan Corporation for International Techno-Economic Cooperation.

On 14 February 2018, the Company received the Certificate of Initial Public Offering (IPO) completion No.0008/LSX issued by Lao Securities Commission Office, according to which the Company had completed IPO process with the total 40,004,000 shares of the Company (under the ticker "LCC") have been officially listed on Lao Securities Exchange.

On 2 May 2023, the Company obtained the new Investment License No. 119.2023/MPI, which is issued by the Ministry of Planning and Investment, which modified the principal business activities of the Company. The principal activities of the Company changes from production, wholesale and retail of cement and other related cement products to provide service on tourism (inbound-outbound) and construction of condominium for sale.

On 30 October 2023, the Company obtained the latest Business License No.3330/BLO from Ministry of Industry and Commerce, In which the Company's name was changed from Lao Cement Public Company to Lao Culture Tourism Public Group Company.

On 24 June 2025, the Company received the Condominium Business License No.2730 from the Ministry of Natural Resources and Environment, enabling it to engage in activities related to the sale of condominiums.

The Company's registered head office is at Phonphanao Village, Xaysettha District, Vientiane Capita, Lao PDR. The Company also has Vangvieng Cement Plant No. II which is located in Vangvieng province, Lao PDR.

As at 30 June 2026, the Company had 48 employees (31 December 2025: 72 employees).

1. CORPORATE INFORMATION (continued)

Corporate structure

As at 30 June 2026, the Company has nine (9) subsidiaries with details are as follows:

Name	*Business License No.*	*Business sector*	*% owned by LCTC*
Lao Agriculture Science and Technology Development Sole Co., Ltd	2118/BLO dated 17 June 2024 issued by the Ministry of Industry and commerce.	Purchase herbs to export, Plant to sale domestic and export	100%
Lao City Construction Development Group Sole Co., Ltd	2434/BLO dated 05 July 2024 issued by the Ministry of Industry and commerce.	Construction consultant service	100%
Lao New Building Materials Sole Co., Ltd	2422/BLO dated 10 August 2023 issued by the Ministry of Industry and commerce.	Construction material and supply tools	100%
Lao National Tourism Planning and Design Institute Sole Co., Ltd	3113/BLO dated 26 September 2023 issued by the Ministry of Industry and commerce.	Building design, tourism design and construct public works	100%
Phu Pha Bua Tourist Area Operation and Management Company Limited (previously known as Lao International Exhibition Services Sole Co., Ltd)	0414/BLO dated 01 February 2024 issued by the Ministry of Industry and commerce.	Entertainment production, cinematic and advertisement	100%
Lao Mineral Resources Development Sole Co., Ltd	0767/BLO dated 29 February 2024 issued by the Ministry of Industry and commerce.	Explore and survey mining site	100%
Lao National Survey and Designed Institute Sole Co., Ltd	1495/BLO dated 06 May 2024 issued by the Ministry of Industry and commerce.	Explore, survey and design building	100%
Laos Education and Training Center Company Sole Co., Ltd	1485/BLO dated 06 May 2024 issued by the Ministry of Industry and commerce.	Education consulting service	100%
Engineering Machinery Equipment Co., Ltd	016090/BLO dated 22 May 2025 issued by the Ministry of Industry and commerce.	Engineering Machinery Equipment	100%

2. BASIS OF PREPARATION

According to the Accounting Law No.46/NA dated 20 November 2023, public interest entities, including listed companies should apply International Financial Reporting Standards (“IFRS”) in preparing their interim consolidated financial statements. In accordance with the Official Letter No. 1137/MOF dated 27 April 2020 by the Ministry of Finance, public interest entities are allowed to delay the application of IFRS until 1 January 2026 onwards.

On 8 June 2026, MOF issued notification letter No. 2157/CO regarding the implementation of full IFRS. Under this notification, all Public Interest Entities ("PIEs") those are listed companies and insurance companies except PIEs regulated by the Bank of the Lao PDR ("BOL") must prepare their annual financial statements in accordance with International Reporting Standards (“IFRS”). Accordingly, the Company is currently in the process of obtaining approval to defer the implementation of full IFRS for the six-month period ended 30 June 2026. At the same time, management is preparing an IFRS implementation roadmap and intends to adopt full IFRS in the preparation of its consolidated financial statements for the year ending 31 December 2026.

For the six-month period ended 30 June 2026, the Group has prepared its interim consolidated financial statements in accordance with the accounting policies as set out in Note 3 to the interim consolidated financial statements. These accounting policies are not intended to present interim consolidated financial position, interim consolidated results of operations and interim consolidated cash flows of the Group in accordance with international generally accepted accounting principles.

The interim consolidated financial statements of the Group have been prepared using the historical cost convention. These interim consolidated financial statements are expressed in Lao Kip (“LAK”) as it is the currency in which the majority of the Group’s transaction are denominated and settled.

Basis of consolidation

The interim consolidated financial statements comprise the interim financial statements of the Company and its subsidiary for the six-month period ended 30 June 2025.

Subsidiary is fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of the subsidiary are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intra-group balances which are contributed from the statement of financial position of the Group and its fellow subsidiary, income and` expenses and unrealised gains or losses resulting from intra-group transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Company and are presented separately in the consolidated statements of income and within equity in the interim consolidated statement of financial position, separately from shareholders’ equity.

Impacts of change in the ownership rate without loss of control are accounted for in the accumulated undistributed profit.

2. BASIS OF PREPARATION (continued)

Going concern assumption

The Group incurred a net loss of LAK 15.23 billion for the six-month period ended 30 June 2026. As at this date, the Group's accumulated losses of LAK 124.61 billion exceeded contributed charter capital by LAK 104.61 billion, and the Group's current liabilities also exceeded its current assets by LAK 92.47 billion. On 25 August 2020, the Group published Announcement No.202/LCC about temporarily ceasing all production until further notice. The Group has modified the principal business activities in accordance with the new investment license No. 119.2023/MPI dated on 02 May 2023, which is issued by the Ministry of Planning and Investment. The principal activities of the Group change from production, wholesale and retail of cement and other related cement products to provide service on tourism (inbound-outbound) and construction of condominium for sale. These conditions indicate that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern.

The Group's management has prepared a cash flow forecast to support the settlement and operation plan for the next 12 months, which was made primarily on the basis of expectation for (i) financial support to be received from its shareholders and related parties; and (ii) proceeds from disposal of its current available fixed assets i.e. being cement production factory and real estate property. Particularly, the Group's management obtained financial support letter from Yunnan Hengshi Chengrui Holdings Co., Ltd., the major shareholder of the Group, which stipulated its agreement to provide all necessary financial support to ensure that the Group will have sufficient resources to settle its liabilities when they fall due in the following financial year without curtailment. On this basis, the management considers it as appropriate to prepare the Group's consolidated financial statements on the going concern basis.

Accordingly, the consolidated financial statements do not include any adjustments that may be necessary if the Group is unable to continue as a going concern.

Fiscal year

The Group's fiscal year starts on 1 January and end on 31 December.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

The cost of a property, plant and equipment purchased by the Group consists of its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, improvements and renewals are capitalized while expenditures for maintenance and repairs are charged to interim consolidated income statement.

When an item of property, plant and equipment is sold or retired, their cost and accumulated depreciation are removed from interim consolidated balance sheet and any gain or loss resulting from their disposal is included in the other operating income or expense accounts, respectively, in interim consolidated income statement.

Construction in progress represents assets under construction. This includes the costs of construction and other directly attributable costs.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation are recognized in the interim consolidated income statement.

Depreciation

Depreciation of property, plant and equipment is calculated on a straight-line basis over the expected useful life of the assets as follows:

Buildings and structures	5 to 20 years
Machinery and equipment	5 years
Means of transportation	5 years
Leasehold improvement	5 to 10 years
Office equipment	5 to 10 years
Others	10 years

The useful life of leasehold improvement is determined based on management estimates on expected usage and might be different with the lease term.

Depreciation on property, plant and equipment acquired or disposed of during the period is provided for on a pro-rata basis with reference to the month of acquisition or disposal. No depreciation is provided for assets under construction until such time that the relevant assets are completed and put into use.

Intangible assets

Intangible fix assets consist of computer software and land use right. The cost of the software comprises its purchase price plus any directly attributable costs of bringing the software to working condition for its intended use.

Land use rights with indefinite term of use and are stated at cost. The cost of land use rights, which comprise the purchase price and any directly attributable costs, is not amortized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Construction in Progress

Construction in progress represents the costs of acquiring new assets that have not yet been fully installed or the costs of construction that have not yet been fully completed. Construction in progress is stated at cost, which includes all necessary costs to construct, repair, renovate, expand, or re-equip the projects with technologies, such as construction costs, tools and equipment costs, project management costs, construction consulting costs, and borrowing costs that are eligible for capitalization.

Construction in progress will be transferred to the appropriate fixed asset account when these assets are fully installed or the construction project is fully completed, and depreciation of these assets will commence when they are ready for their intended use.

Construction costs are recognized as expenses when such costs do not meet the conditions to be recognized as fixed assets.

Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

The Group as a lessee

Leases, where all the risks and benefits of ownership of the leased items are not transferred substantially to the Group are operating leases. Operating lease payments are recognized as an expense in the profit or loss on a straight-line basis over the lease term. Contingent rental payable is recognized as an expense in the period in which they are incurred.

Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The periodic method is used to record inventories, which are valued as follows:

Raw materials, consumables, tools and supplies	-	Cost of purchase on a weighted average cost basis.
Work-in-progress and Finished goods	-	Cost of direct materials and labour plus attributable manufacturing overheads based on the normal operating capacity on a weighted average cost basis.

Inventory property

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value (NRV).

Principally, this is residential property that the Group develops and intends to sell before, or on completion of, development.

Cost incurred in bringing each property to its present location and condition includes:

- Amounts paid to contractors for development
- Planning and design costs, costs of site preparation, professional fees for legal services, development overheads and other related costs

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory property (continued)

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale.

When an inventory property is sold, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognised. The carrying amount of inventory property recognised in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the relative size of the property sold.

Provision for obsolete inventories

Provision for obsolete inventories is the estimated loss arising due to the impairment in value (through diminution, damage, obsolescence, etc.) of inventories based on appropriate evidence of impairment available at the interim consolidated balance sheet date.

Increases and decreases to the provision balance are recorded into the other operating expenses for additional provision and in the other operating income for reversal of provision in the interim consolidated income statement.

Trade receivables and provision for doubtful accounts

Trade receivables are stated net of total gross trade receivables and provision for doubtful accounts.

The Group provides allowance for doubtful accounts for trade receivables based on consideration of historical data and the overdue age of the receivables as follows:

Overdue period	*Provision rate*
6 months to 1 year	30%
From 1 year to 2 years	50%
More than 2 years	100%

Increases or decreases to the provision balance are recorded as “Other operating expenses” or “Other operating income” respectively in the interim consolidated financial statements.

Cash

Cash comprises cash on hand and cash in banks.

Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs are recorded as expenses during the year in which they are incurred.

Trade payables, accrued expenses and other payables

Payables and accruals are recognized for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed capital

Contributed capital is recognized in the interim consolidated balance sheet when cash is collected from the shareholders in the case of cash contribution or when there is approval from shareholders in the case of contribution in-kind, and share certificate is issued. Any unpaid capital based on Article of Association, enterprise and tax licenses is not recognized in interim consolidated balance sheet.

Share premium reserve

The share premium is recognized upon issuance of additional shares, at a surplus between the offering price of additional share issuance and the par value, after deduction of share issuance cost (such as underwriting fees and other relevant valuation, consulting costs).

Reserves

Under the requirement of Enterprise Law No. 46/NA dated 20 November 2023, public companies are required to appropriate net profit to legal reserve fund.

The legal reserve fund is a fund to secure against risks, which is ten percent (10%) of its net profit into the reserve fund, after deducting its accumulated losses. When the legal reserve reaches one-half of the contributed charter capital, the Group may suspend the conversion of profit to such fund, unless otherwise approved by the Company's owners.

Other reserve funds including welfare fund reserve and plant expansion reserve which are appropriated from retained earnings in accordance with the Article of Incorporation of the Group dated 15 December 1998. The appropriation amount is determined by the Group's Board of Directors on an annual basis.

Reserve funds of current period are appropriated from net profit of prior year upon the approval of the Annual General Meeting of Shareholders.

Foreign currencies

The interim consolidated financial statements are presented in LAK which is the Group's functional and presentation currency. Transactions in currencies other than LAK are initially translated using the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at interim Group balance sheet date. All gains and losses are taken to the finance income and finance costs accounts, respectively, in interim consolidated income statement.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

Interest

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

Profit tax is the expected tax payable on the taxable profit for the year, using tax rate enacted at interim consolidated balance sheet date and applicable to the reporting period, and any adjustment to tax payable in respect of previous years.

Other taxes payable include value added tax and employees' personal income tax.

Value added tax is the tax liability determined on revenue for the period computed using the applicable tax rate for the year.

Personal income tax is the tax payable on salary paid to staff for the period determined using applicable tax rate for the years.

Any adjustments to the amount of tax payable of prior years as a result of Tax inspection are recorded directly into retained earnings.

Related party transactions

Parties are considered to be related if they have the ability to control or exercise significant influence over each other in making financial and operational decisions or are subject to common control or common significant influence.

Transactions with related parties are conducted based on market prices or, where no market prices exist, at contractually agreed prices.

Other operating expenses

Expenses relating to the suspended plants are recognised as other operating expenses.

Segment information

A segment is a component determined separately by the Group which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

The Group's principal activities per Business License are to provide service on tourism (inbound-outbound) and construction of condominium for sale. In addition, these activities are only taking place within Lao PDR. Therefore, the Group's risks and returns are not impacted by the Group's services that the Group is providing or the locations where the Group is doing the business. As a result, the Group's management is of the view that there is only one segment for business and geography and therefore presentation of segmental information is not required .

4. PROPERTY, PLANT AND EQUIPMENT

	Buildings and structures LAK	*Machinery and equipment LAK*	*Means of transportation LAK*	*Leasehold improvement LAK*	*Office equipment LAK*	*Total LAK*
Cost						
As at 1 January 2026	134,171,668,893	518,812,000	11,554,540,831	59,911,004	910,972,127	147,215,904,855
Additions	-	-	-	-	7,850,000	7,850,000
Disposal	-	-	(2,663,978,100)	-	-	(2,663,978,100)
As at 30 June 2026	134,171,668,893	518,812,000	8,890,562,731	59,911,004	918,822,127	144,559,776,755
Accumulated depreciation						
As at 1 January 2026	134,171,668,893	43,212,067	10,978,042,448	21,980,520	724,610,891	145,939,514,819
Charge for the period	-	51,881,202	76,789,500	2,597,800	28,903,483	160,171,985
Disposal	-	-	(2,487,656,175)	-	-	(2,487,656,175)
As at 30 June 2026	134,171,668,893	95,093,269	8,567,175,773	24,578,320	753,514,374	143,612,030,629
Net book value						
As at 1 January 2026	-	475,599,933	576,498,383	37,930,484	186,361,236	1,276,390,036
As at 30 June 2026	-	423,718,731	323,386,958	35,332,684	165,307,753	947,746,126

5. INTANGIBLE ASSETS

	Software *LAK*	*Indefinite Land use right* *LAK*	*Total* *LAK*
Cost			
As at 1 January 2026	155,804,189	3,655,353,775	3,811,157,964
Addition	6,600,000	-	6,600,000
As at 30 June 2026	162,404,189	3,655,353,775	3,817,757,964
Accumulated depreciation			
As at 1 January 2026	31,790,460	-	31,790,460
Charge for the period	16,240,416	-	16,240,416
As at 30 June 2026	48,030,876	-	48,030,876
Net book value			
As at 1 January 2026	124,013,729	3,655,353,775	3,779,367,504
As at 30 June 2026	114,373,313	3,655,353,775	3,769,727,088

6. CONSTRUCTION IN PROGRESS

	30 June 2026 *LAK*	*31 December 2025* *LAK*
Konpook mining project	5,966,361,212	5,966,361,212
Building 21 (*)	18,999,210,873	11,796,561,853
Grand house project	5,782,437,806	5,792,347,242
Nongbone project	52,484,784	52,484,784
Resort Hotel project	42,118,600	42,118,600
Office mining project	36,918,050	36,918,050
Apartment of employee project	1,765,241,497	1,765,241,497
VangVieng Project	1,105,404,973	423,292,224
	33,750,177,795	**25,875,325,462**
Impairment for Construction in Progress	(5,966,361,212)	(5,966,361,212)
	27,783,816,583	**19,908,964,250**

(*) This represents the development costs of office space for use or lease in the condominium building ("Building 21") located at Phonphanao village, Xaysettha district, Vientiane Capital, Laos PDR.

7. OTHER CURRENT ASSETS

	30 June 2026 *LAK*	*31 December 2025* *LAK*
Advance to employees	907,863,616	668,787,196
Guarantee deposit (*)	2,243,050,000	2,155,450,000
Advance to suppliers	849,110,704	4,432,866,239
Advance profit tax	-	3,600,000
	4,000,024,320	**7,260,703,435**

(*) This advance payment represent a guarantee deposit made to the Rural Development State Own Company for the purpose on exploration and mining project at Hua Phan province in accordance with the MOU No. 224 dated 26 March 2024.

8. INVENTORIES

	30 June 2026 *LAK*	*31 December 2025* *LAK*
Raw materials and consumables	1,132,307,448	1,141,617,690
Tools and supplies	3,827,576,730	3,828,061,516
Work in progress	9,139,226,604	9,139,216,604
Finished goods	773,052,367	773,052,367
Work in progress (*)	80,746,646,211	70,779,371,116
Machinery, spare part and agricultural market project	2,906,535,068	2,906,535,067
	98,525,344,428	**88,567,854,360**
Provision for inventories	(14,084,799,560)	(13,880,297,555)
	84,440,544,868	**74,687,556,805**

(*) This represents the development costs of apartments for sale in the condominium building ("Building 21") located at Phonphanao village, Xaysettha district, Vientiane Capital, Laos PDR from 4th floor to 20th floor.

9. TRADE RECEIVABLES

	30 June 2026 LAK	*31 December 2025 LAK*
Trade receivables	356,267,757	392,289,331
Provision for doubtful accounts	(356,267,757)	(356,267,757)
	-	**36,021,574**

Details of provision for doubtful accounts as at 30 June 2026 are as follows:

Overdue status	*Receivable balance*	*Provision*
6 months to 1 year past due	-	-
From 1 year to 2 years past due	-	-
More than 2 years past due	(356,267,757)	(356,267,757)
Total	**(356,267,757)**	**(356,267,757)**

Details of provision for doubtful accounts as at 31 December 2025 are as follows:

Overdue status	*Receivable balance*	*Provision*
6 months to 1 year past due	-	-
From 1 year to 2 years past due	-	-
More than 2 years past due	(356,267,757)	(356,267,757)
Total	**(356,267,757)**	**(356,267,757)**

10. CASH

	30 June 2026 LAK	*31 December 2025 LAK*
Cash on hand	25,588,285	34,264,222
Cash in banks	1,180,278,670	754,543,247
	1,205,866,955	**788,807,469**

11. TRADE PAYABLE

	30 June 2026 LAK	*31 December 2025 LAK*
Trade payables to suppliers	6,001,877,911	5,910,885,903
Ang Concrete Company	*4,569,957,642*	*4,605,894,972*
Others	*1,431,920,269*	*1,304,990,931*
Audit fee	877,032,550	497,908,950
	6,878,910,461	**6,408,794,853**

12. DEFERRED REVENUE

	30 June 2026 *LAK*	*31 December 2025* *LAK*
Deferred rental revenue	621,704,755	-
	621,704,755	-

13. ADVANCES FROM CUSTOMERS

	30 June 2026 *LAK*	*31 December 2025* *LAK*
Advance from a purchaser according to the asset's disposal contract	6,294,276,500	6,109,190,000
Advance from customers for reservation condominium	6,826,358,616	3,288,694,134
Advance for machinery, spare part and agricultural market project	16,165,875,000	16,165,875,000
Other advance from customers	20,000,000	20,000,000
	29,306,510,116	**25,583,759,134**

14. STATUTORY OBLIGATIONS

	30 June 2026 *LAK*	*31 December 2025* *LAK*
Foreign contractor tax payables	3,058,050,486	3,058,050,486
Output value added tax	4,858,109,479	2,967,343,443
Profit tax payable (Note 20)	479,656,526	479,656,526
Other taxes	3,852,171,099	2,753,797,015
	12,247,987,590	**9,258,847,470**

15. OTHER PAYABLES

	30 June 2026 *LAK*	*31 December 2025* *LAK*
Dividends payable to related parties (Note 22) (*)	13,581,363,960	13,581,363,960
Borrowings from related party (Note 22)	22,226,792,272	20,790,748,039
SSO payable	36,362,581	39,674,581
Borrowing from Laos Yao Xing Shun Industrial Sole Co., Ltd (**)	64,347,636,777	48,649,552,505
Others	1,187,080,806	835,903,550
	101,379,236,396	**83,897,242,635**

15. OTHER PAYABLES (continued)

(*) Details of dividends payable to related parties are as follows:

	30 June 2026 LAK	*31 December 2025 LAK*
2016 dividends payable to related parties	3,395,146,565	3,395,146,565
2015 dividends payable to related parties	5,773,056,205	5,773,056,205
2014 dividends payable to related parties	4,413,161,190	4,413,161,190
	13,581,363,960	**13,581,363,960**

(**) This amount represents a non-interest-bearing borrowing from Laos Yao Xing Industrial Sole Co., Ltd., related to the construction of Building 21 in accordance with Agreement No. LCTC E25011. Following this agreement, upon the Building 21 Project achieving 95% of the saleable area sold, or after three years from the commencement date of the contract (whichever occurs first), any portion of the amount that remains unsettled shall be automatically reclassified as an interest-bearing borrowing.

16. CONTRIBUTED CAPITAL

16.1 Shares

	30 June 2026		*31 December 2025*	
	Quantity (shares)	*Amount (LAK)*	*Quantity (shares)*	*Amount (LAK)*
Authorized shares				
Issued and paid-up shares				
Ordinary shares	40,004,000	20,002,000,000	40,004,000	20,002,000,000

On 14 February 2018, the Group received the Certificate of Initial Public Offering (IPO) completion No.0008/LSX issued by Lao Securities Commission Office, according to which the Group had completed IPO process with the total 40,004,000 shares of the Group (under the ticker “LCC”) have been officially listed on Lao Securities Exchange.

The shareholding structure of the Group as at 30 June 2026 and 31 December 2025 is as follows:

	30 June 2026		*31 December 2025*	
Shareholders	*Number of shares*	*Percentage*	*Number of shares*	*Percentage*
Yunnan Hengshi Chengrui Holdings Co., Ltd (“Yunnan Qianhan”)	14,280,000	35.696%	14,280,000	35.696%
Lao Agriculture-Forestry Development and Service Company (DAI)	13,720,000	34.297%	13,720,000	34.297%
Lao-China Securities Co., Ltd (LCS)	7,547,800	18.868%	7,547,800	18.868%
Other public corporation and individual investors	4,456,200	11.139%	4,456,200	11.139%
	40,004,000		**40,004,000**	

17. OTHER OPERATING INCOME

	For the six-month period ended 30 June 2026 LAK	*For the six-month period ended 30 June 2025 LAK*
Income from disposal of raw material, scrap and fixed assets	468,865,348	-
Rental income	112,746,156	-
Reversal of provision doubtful debts	-	27,286,200
Others	-	5,964,000
	581,611,504	**33,250,200**

18. OTHER OPERATING EXPENSES

These mainly comprise expenses relating to the suspended plants with details are as follows:

	For the six-month period ended 30 June 2026 LAK	*For the six-month period ended 30 June 2025 LAK*
Provision for inventories	204,502,005	4,214,300,610
Personnel expenses	481,913,333	886,845,957
Depreciation expenses of suspended plants	8,844,618	7,012,758
Environmental assessment fee	-	709,318,500
Utility and fuel	-	635,629
Others	43,945,860	210,883,313
	739,205,816	**6,028,996,767**

19. ADMINISTRATIVE EXPENSES

	For the six-month period ended 30 June 2026 LAK	*For the six-month period ended 30 June 2025 LAK*
Personnel expenses	5,029,929,912	4,989,823,164
Depreciation expenses	167,572,124	262,641,909
Utility and fuel expenses	159,549,405	249,434,842
Rental fee	36,021,558	186,896,024
Maintenance expenses	74,752,061	375,696,953
Travelling expenses	33,651,847	313,934,228
Guest welcoming and entertainment	37,265,515	363,744,520
Audit fee	358,888,000	414,693,125
Other administrative expenses	3,485,325,827	598,307,476
	9,382,956,249	**7,755,172,241**

20. FINANCE COSTS

	For the six-month period ended 30 June 2026 LAK	*For the six-month period ended 30 June 2025 LAK*
Interest expenses	731,215,895	549,650,963
Foreign exchange losses	4,961,202,593	324,360,424
	5,692,418,488	**874,011,386**

21. PROFIT TAX

Under the new Income Tax Law No. 67/NA dated 18 Jun 2019, which is effective on or after 1 January 2020, the normal profit tax ("PT") rate is 20%.

The Group does not recognize corporate income tax payable or receivable in the future periods in respect to temporary difference. Income tax expenses recognized based on the result for the related period and the applicable tax Law of Lao PDR.

The tax returns filed by the Group are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the interim consolidated financial statements could change at a later date upon final determination by the tax authorities.

The current tax payable is based on taxable profit for the year. The Group's liability for current tax is calculated using tax rates that have been enacted at the interim consolidated balance sheet date.

21. PROFIT TAX (continued)

The estimation of profit tax is presented below:

	For the six-month period ended 30 June 2026 LAK	*For the six-month period ended 30 June 2025 LAK*
Loss before tax	**(15,232,952,331)**	**(14,624,865,898)**
Adjustments to loss before tax:		
Provision for inventories	204,502,005	4,214,300,610
Reversal of Provision for doubtful accounts	-	(27,286,200)
Other non-deductible expenses	7,912,005,353	703,150,303
Estimated current taxable losses	**(7,116,444,973)**	**(9,734,701,185)**
Estimated current PT expenses at rate 20% (2025: 20%)		
PT payable at beginning of the year	479,656,526	479,656,526
PT paid during the year	-	-
PT payable at the end of the year (Note 13)	**479,656,526**	**479,656,526**

Tax losses carried forward

For tax loss incurred from 2020 and afterwards, in accordance with the amended Tax Law No. 67/NA dated 18 June 2019, article 23, annual losses which are certified by the audit authority or an independent audit firm and acknowledged by the tax authorities, are eligible to be carried forward to offset with future taxable profits for a period of five years after the losses incurred.

At interim consolidated balance sheet date, the Group has aggregated accumulated tax losses available for offset against future taxable income. Details are as follows:

Currency: LAK

Originating year	*Can be utilized up to*	*Tax loss amount*	*Utilized up to 30 June 2026*	*Forfeited*	*Unutilized at 30 June 2026*
2021	2026	12,384,451,613	-	-	12,384,451,613
2022	2027	13,325,630,431	-	-	13,325,630,431
2023	2028	2,398,662,436	-	-	2,398,662,436
2024	2029	542,195,702	-	-	542,195,702
2025	2030	20,883,887,754	-	-	20,883,887,754
2026	2031	7,116,444,973	-	-	7,116,444,973
TOTAL		**56,651,272,909**	**-**	**-**	**56,651,272,909**

Estimated tax losses as per the Group's profit tax declarations which have not been audited by the local tax authorities as of the date of these interim consolidated financial statements.

No deferred tax assets were recognised in respect of the remaining LAK 56,651,272,909 because future taxable income cannot be ascertained at this stage.

22. RELATED PARTY TRANSACTIONS

Transactions with related parties are conducted at contractually agreed prices. Significant transactions with related parties during the years were as follows:

Related parties	*Relationship*	*Nature of transaction*	*For the six-month period ended 30 June 2026 LAK*	*For the six-month period ended 30 June 2025 LAK*
Mr. Nie Lei	General Director	Borrowing	1,127,443,562	-
		Repayment of Borrowing	-	448,062,500
HK XIANGHUA LIMIED NO4	Related party	Borrowing	630,720,000	7,501,625,000
		Borrowing interest	650,272,233	549,650,963
Yunnan Hengshi Chengrui Holdings Co., Ltd (“Yunnan Qianhan”)	Shareholder	Net debt transfer from CYC	112,015,283	301,917,650
		Repayment of Borrowing	15,112,900	168,338,162
Mr. Li Xue Bing	Deputy of director	Borrowing	155,052,000	-
		Repayment of Borrowing	-	22,567,500
Mr. Wang Hui	Director	Repayment of Borrowing	-	222,564,810
Mr. Ding Yu Dong	Director	Borrowing	-	141,630,000

Balances due from related parties as at 30 June 2026 and 31 December 2025 were as follows:

Related parties	*Relationship*	*Nature of transaction*	*30 June 2026 LAK*	*31 December 202 LAK*
Amounts due from related parties				
Yunnan Hengshi Chengrui Holdings Co., Ltd ("Yunnan Qianhan")	Shareholder	Advance	1,000,000,000	1,000,000,000

22. RELATED PARTY TRANSACTIONS (continued)

Balances due to related parties as at 30 June 2026 and 31 December 2025 were as follows (continued):

Related parties	*Relationship*	*Nature of transaction*	*30 June 2026 LAK*	*31 December 2025 LAK*
Amounts due to related parties				
Yunnan Hengshi Chengrui Holdings Co., Ltd ("Yunnan Qianhan")	Shareholder	Net debt transfer from CYC	2,630,840,208	2,742,855,492
		Borrowing (*)	39,959,954	55,072,855
Lao Agriculture-Forestry Development and Service Company (DAI)	Shareholder	Purchase of materials	4,374,818,541	4,374,818,539
Mr. Nie Lei	General Director	Borrowing (*)	6,924,412,774	5,796,969,212
			13,970,031,477	**12,969,716,098**
Other payables (Note 15)				
Yunnan Hengshi Chengrui Holdings Co., Ltd ("Yunnan Qianhan")	Shareholder	Dividend payable	7,736,383,104	7,736,383,104
Lao Agriculture-Forestry Development and Service Company (DAI)	Shareholder	Dividend payable	5,844,980,856	5,844,980,856
			13,581,363,960	**13,581,363,960**
Other payables (Note 15)				
Mr. Li Xue Bing	Deputy Director	Borrowing (*)	3,970,198,500	3,815,146,500
Mr. Ding Yu Dong	Director	Borrowing (*)	200,000,000	200,000,000
HK XIANGHUA LIMITED NO4	Related party	Borrowing (**)	16,149,960,000	15,519,240,000
		Borrowing interest	1,906,633,772	1,256,361,539
			22,226,792,272	**20,790,748,039**

(*) These represent unsecured interest-free with indefinite-term borrowings.

(**) From 1 January 2026, these represent unsecured borrowings with the interest 10% and maturity date on 30 June 2027.

22. RELATED PARTY TRANSACTIONS (continued)

Other transactions with related parties

Remuneration to management during the period were as follows:

	For the six-month period ended 30 June 2026 LAK	*For the six-month period ended 30 June 2025 LAK*
Salaries	1,689,726,000	1,146,565,652
	1,689,726,000	**1,146,565,652**

23. COMMITMENTS

As of 30 June 2026, the Company has entered into contractual commitments outlined in the joint investment agreement for the Building 21 Project under Contract No. LCTC-E25011 with the investor Laos Yao Xing Industrial Sole Co., Ltd ("LYX"). Consequently, in the coming years, the Company agrees to pay LYX USD 8 million upon the sale of the building, along with an additional contingent amount of USD 4 million based on the project's profitability.

The Company has established 9 subsidiaries with a total registered capital of 43 billion LAK. as at 30 June 2026, the Company had invested 5.8 billion LAK to its subsidiaries and the total remaining uncontributed capital to the capital commitments of the subsidiaries is 37.2 billion LAK.

24. SUBSEQUENT EVENTS

There has not been any significant event that has arisen since 30 June 2026 that requires adjustments or disclosures to be made in the interim consolidated financial statements.

25. APPROVAL FOR ISSUE

The interim consolidated financial statements as at and for the six-month period ended 30 June 2026 were authorised for issue by the Group's management on 31 August 2026.

Mr. Liu Hao
General Director

Mr. Zhang Jing Hua
Head of Accounting & Finance

Vientiane, Lao PDR

31 August 2026